

WC 05-198

ROCKET

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
UCN, INC.)
)
Transferee,)
)
TRANSTEL COMMUNICATIONS, INC.)
TEL AMERICA OF SALT LAKE CITY, INC.)
EXTELCOM, INC.)
)
Transferors,)
)
Joint International and Domestic Application)
for Authority Pursuant to Section 214 of the)
Communications Act of 1934, as amended, to Transfer)
Certain Assets of Authorized International and)
Domestic Carriers)
)

FCC/MELLON

MAY 19 2005

File No. _____

JOINT INTERNATIONAL AND DOMESTIC APPLICATION
FOR CONSENT TO TRANSFER ASSETS

UCN, Inc. ("UCN" or "Transferee") and Transtel Communications, Inc. ("Transtel"), on behalf of its wholly-owned subsidiaries, Tel America of Salt Lake City, Inc. ("Tel America"), and Extelcom, Inc., d/b/a Express Tel ("Express Tel") (collectively, "the Transtel Companies" or "Transferors") (together with UCN, "Applicants"), through undersigned counsel and pursuant to Section 214 of the Communications Act of 1934, as amended,¹ and Sections 63.03 and 63.24 of the Commission's rules,² hereby request authority to effectuate the transfer of certain assets of.

¹ 47 U.S.C. § 214 (the "Act").
² 47 C.F.R. §§ 63.03, 63.24.

enable UCN to acquire certain assets of the Transtel Companies³ to UCN. UCN and the Transtel Companies ("Tel America" and "Express Tel") are all non-dominant carriers authorized by the Commission to provide international⁴ and domestic telecommunications services. Applicants seek streamlined processing of this Application.⁵

In support of this Application, Applicants submit the following information:

I. THE PARTIES

(a) UCN

UCN is a publicly traded Delaware corporation with its principal offices located at 14870 South Pony Express Road, Bluffdale, Utah 84065. UCN has global authority to provide resold and facilities-based international telecommunications services.⁶ UCN is considered a non-dominant carrier under the Commission's Rules. The company has no affiliation, within the meaning of Section 63.09(e) of the Commission's Rules, 47 C.F.R. § 63.09(e), with a dominant U.S. or foreign facilities-based carrier.

UCN is a provider of switched and dedicated resold intrastate interLATA, interstate interexchange, and international telecommunications services. UCN contracts with a number of third party providers for the right to resell the various telecommunication services and products they provide, and then offers all of these various services to its customers. UCN is licensed,

³ Tel America and Express Tel are telecommunications common carriers and wholly-owned subsidiaries of Transtel, a non-common carrier parent corporation.

⁴ Tel America and Express Tel provide international telecommunications services pursuant to International Section 214 authority granted by the Commission to their parent company, Transtel Communications, Inc., on October 6, 1993.

⁵ A Domestic Supplement, containing the information required by 47 C.F.R. § 63.04 is attached hereto as Exhibit A.

⁶ UCN, Inc. was authorized by the Commission to provide international services on May 22, 1998 in File Number ITC-214-19980407-00234.

registered and otherwise authorized to provide its telecommunications services to business and residential customers throughout the contiguous U.S., District of Columbia and Hawaii.

(b) The Transtel Companies

(1) Transtel is a Delaware corporation with its principal offices located at 324 South State Street, Suite 125, Salt Lake City, Utah 84111. Transtel is the parent corporation and 100% owner of Tel America and Express Tel. Transtel does not provide telecommunications services directly, but holds an International Section 214 authorization granted by the Commission on October 6, 1993, pursuant to which its wholly-owned subsidiaries provide international resold switched telecommunications services.

(2) Tel America is a Utah corporation with its principal offices located at 324 South State Street, Suite 125, Salt Lake City, Utah 84111. Tel America provides resold switched and dedicated intrastate interLATA, interstate and international telecommunications services on a common carrier basis to business and residential customers in Colorado and Utah. Specifically, Tel America provides 1+ direct dial, dedicated private line, toll free 800/888/877/866, and directory assistance services.

(3) Express Tel is a Utah corporation with its principal offices located at 324 South State Street, Suite 125, Salt Lake City, Utah 84111. Express Tel provides resold switched and dedicated intrastate interLATA, interstate and international telecommunications services on a common carrier basis to business and residential customers in California, Nevada and Arizona. Specifically, Express Tel provides 1+ direct dial, dedicated private line, toll free 800/888/877/866, and directory assistance services.

II. DESCRIPTION OF THE TRANSACTION

On May 1, 2005, UCN and the Transtel Companies entered into an Asset Purchase Agreement ("Agreement"). Pursuant to the terms and subject to the conditions of the Agreement, UCN will purchase from the Transtel Companies certain assets and assume certain liabilities relating to the Transtel Companies' long distance customer accounts ("Customer Base"). UCN will also acquire certain assets required to serve the customers' accounts, including customer data and records. Upon consummation of the transactions contemplated in the Agreement, UCN will become the carrier of record for the Customer Base currently served by the Transtel Companies.

Applicants emphasize that the transition of the affected Customer Base to UCN will be seamless and transparent. UCN anticipates providing the same telecommunications services to the affected customers, under the same rates and terms and conditions of service as those customers currently receive from the Transtel Companies.

Applicants seek to complete the proposed transaction on an expedited basis so that UCN can integrate the acquired accounts into its existing businesses and thereby expand and improve its ability to offer these customers a diverse range of competitive telecommunications services.

III. PUBLIC INTEREST

Grant of the proposed transaction will serve the public interest.

Applicants do not anticipate any change to the rates, terms or conditions of service to the transferred customers as a result of the transaction. Applicants have sent written notice to affected customers informing them of the proposed transaction and advising them of their rights. Service to the affected customers will not be transferred until the requisite legal and regulatory approvals have

been obtained. Concurrently with this Joint Application, UCN will file with the Commission the notice and certification described in Section 64.1120(e) of the Commission's rules.

Consummation of the proposed transaction will serve the public interest in promoting competition in the domestic and international telecommunications market by providing UCN the opportunity to strengthen its competitive position by combining the Transtel Companies' Customer Base with UCN's current services, products, expertise and economies of scale. Moreover, consummation of the proposed transaction will also permit the Transtel Companies to exit the telecommunications services business while ensuring that the affected Customer Base continues to receive uninterrupted, high-quality and low cost telecommunications services.

The Transtel Companies provide services that are very similar to UCN's core suite of telecommunications services and therefore, upon consummation of the proposed transaction, the acquired Customer Base will be quickly incorporated into UCN's existing customer base of over 150,000 accounts. With the addition of the acquired Customer Base, UCN's operations will more readily increase in size and profitability, due to enhanced economies of scale. Accordingly, the proposed acquisition will benefit consumers through improved services and availability of lower rates, thereby promoting competition in the telecommunications market.

For each of the foregoing reasons, grant of the proposed transaction is in the public interest.

IV. SPECIFIC PART 63 INFORMATION

As required by Section 63.24(e)(2) of the Commission's Rules, Applicant submits the following information:

(a) Names, addresses and telephone numbers of Parties:

Transferee

UCN, Inc.
14870 South Pony Express Road
Bluffdale, UT 84065
Telephone: (866) 541-0000

Transferors

Transtel Communications, Inc.
324 South State Street
Suite 125
Salt Lake City, UT 84111
Tel: (801) 521-0200

Tel America of Salt Lake City, Inc.
324 South State Street
Suite 125
Salt Lake City, UT 84111
Tel: (801) 521-0200

Extelcom, Inc., d/b/a Express Tel
324 South State Street
Suite 125
Salt Lake City, UT 84111
Tel: (800) 748-4001

(b) The Government, State, or Territory under the laws of which each of the Parties is organized:

<u>Applicant</u>	<u>State of Organization</u>
UCN, Inc.	Delaware
Transtel Communications, Inc.	Delaware
Tel America of Salt Lake City, Inc.	Utah
Extelcom, Inc., d/b/a Express Tel	Utah

(c) Correspondence concerning this Application should be addressed to:

Jonathan S. Marashlian, Esq.
The Helein Law Group, LLP
8180 Greensboro Drive, Suite 700
McLean, VA 22102
Telephone: (703) 714-1313
Facsimile: (703) 714-1330
E-mail: jsm@thlglaw.com

Counsel to UCN, Inc.

With a copy to:

Kimm Partridge
Corporate Secretary
UCN, Inc.
14870 South Pony Express Road
Bluffdale, UT 84065
Telephone: (866) 541-0000
Facsimile: (866) 800-0007
E-mail: kimm.partridge@ucn.net

And

Stanley K. Stoll
Blackburn & Stoll, LC
257 East 200 South, Suite 800
Salt Lake City, Utah 84111
Telephone: (801) 521-7900
E-mail: sstoll@blackburn-stoll.com

Counsel to the Transtel Companies

(d) Statement as to previous Section 214 authorization:

As discussed above, UCN previously received authority from the Commission under Section 214 of the Communications Act to provide global resale and facilities-based services.

Transtel previously received authority from the Commission under Section 214 to provide global resale services. Transtel's wholly-owned operating subsidiaries, Tel America and

Express Tel provide international telecommunications services pursuant to the 214 authority granted to their parent.

(e) This Application requests Commission consent to the transfer of certain assets of the Transtel Companies to UCN.

(f) Not applicable.

(g) Not applicable.

(h) No individual shareholder or corporation holds a ten percent (10%) or greater ownership interest in UCN.

Transtel Communications, Inc. is the 100% owner of Tel America and Express Tel.

(i) Certification that UCN is not a foreign carrier and is not affiliated with a foreign carrier:

See Exhibit B.

(j) Certification that UCN does not intend to provide international telecommunications services to a destination country for which any of Sections 63.18(j)(1)-(4) of the Commission's Rules, 47 C.F.R. § 63.18(j)(1)-(4) is true:

See Exhibit B.

(k) Not applicable (see response to item (j)).

(l) Not applicable (see response to item (j)).

(m) Not applicable (see response to item (j)).

(n) Certification that UCN has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future:

See Exhibit B.

(o) Certifications by Parties that no party to this Application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853(a):

See Exhibits B and C.

(p) Streamlined Processing.

Applicants request streamlined processing of this application pursuant to Section 63.12 of the Commission's Rules, 47 C.F.R. § 63.12. This Application is eligible for streamlined processing pursuant to Section 63.12 of the Commission's Rules because: (1) UCN, the transferee, is not affiliated with a foreign carrier; (2) UCN is not affiliated with a dominant U.S. carrier; and (3) UCN does not seek authority to provide switched basic services over private lines to a country for which the Commission has not previously authorized the provision of switched services over private lines. See 47 C.F.R. §§ 63.12(a)-(c).

V. CONCLUSION

For the reasons stated above, Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of this Application.

Respectfully submitted,

By: /s/

Paul Jarman
Chief Executive Officer and President
UCN, Inc.
14870 South Pony Express Road
Bluffdale, UT 84065
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Facsimile: (866) 800-0007
E-mail: pj@ucn.net

Jonathan S. Marshlian
THE HELEIN LAW GROUP, LLLP
8180 Greensboro Drive, Suite 700
McLean, Virginia 22102
(703) 714-1313 (Tel)
(703) 714-1330 (Fax)

Counsel to UCN, Inc.

Dated: May __, 2005

Respectfully submitted,

By: _____/s/_____

Stanley K. Stoll
Blackburn & Stoll, LC
257 East 200 South, Suite 800
Salt Lake City, Utah 84111
Telephone: 801-521-7900

Dated: May __, 2005

Counsel to the Transtel Companies

EXHIBIT A

DOMESTIC SUPPLEMENT

**DOMESTIC SUPPLEMENT TO
JOINT INTERNATIONAL AND DOMESTIC APPLICATION FOR CONSENT
TO TRANSFER ASSETS**

- I. Pursuant to 47 C.F.R. § 63.04(b), the following information required by 47 C.F.R. 63.04(a)(6)-(a)(12) is supplied in connection with the attached Joint International and Domestic Application for Consent to Transfer Assets.

(6) Description of the transaction:

On May 1, 2005, UCN and the Transtel Companies entered into an Asset Purchase Agreement ("Agreement"). Pursuant to the terms and subject to the conditions of the Agreement, UCN will purchase from the Transtel Companies certain assets and assume certain liabilities relating to the Transtel Companies' long distance customer accounts ("Customer Base"). UCN will also acquire certain assets required to serve the customers' accounts, including customer data and records. Upon consummation of the transactions contemplated in the Agreement, UCN will become the carrier of record for the Customer Base currently served by the Transtel Companies.

(7) A description of the geographic areas in which the transferor and transferees offer domestic telecommunications services, and what services are provided in each area:

Transferee

UCN provides resold switched and dedicated intrastate interLATA, interstate and international telecommunications services on a common carrier basis to business and residential customers throughout the contiguous U.S., District of Columbia and Hawaii. Specifically, UCN provides 1+ direct dial, dedicated private line, toll free 800/888/877/866, and directory assistance services.

Transferors

Transtel is the parent company and 100% owner of Tel America and Express Tel. Transtel does not provide telecommunications services.

Tel America provides resold switched and dedicated intrastate interLATA, interstate and international telecommunications services on a common carrier basis to business and residential customers in Colorado and Utah. Specifically, Tel America provides 1+ direct dial, dedicated private line, toll free 800/888/877/866, and directory assistance services.

Express Tel provides resold switched and dedicated intrastate interLATA, interstate and international telecommunications services on a common carrier basis to business and residential customers in California, Nevada and Arizona. Specifically, Express Tel provides 1+ direct dial, dedicated private line, toll free 800/888/877/866, and directory assistance services.

(8) A statement as to how the Application fits into one or more of the presumptive streamlined categories in Section 63.03 or why it is otherwise appropriate for streamlined treatment:

UCN, as transferee, will have less than a 10 percent market share in the interstate, interexchange market as a result of the transaction and will provide services exclusively in geographic areas served by a dominant local exchange carrier that is not a party to this transaction. Further, neither UCN nor any of the Transtel Companies are dominant with respect to any service. Therefore, this Application is appropriate for streamlined treatment pursuant to 47 C.F.R. § 63.03(b)(2).

(9) Identification of all other Commission applications related to the same transaction:

The attached Application for consent to the transfer of assets related to the provision of international telecommunications services is being submitted herewith.

(10) A statement of whether the Applicants are requesting special consideration because either party to the transaction is facing imminent business failure:

Applicants do not seek special consideration in this Application.

(11) Identification of any separately filed waiver requests being sought in conjunction with the transaction:

Applicants do not seek any waivers in conjunction with the transactions discussed in this Application.

(12) A statement showing how grant of the Application will serve the public interest, convenience and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets:

Grant of the proposed transaction will serve the public interest.

Applicants do not anticipate any change to the rates, terms or conditions of service to the transferred customers as a result of the transaction. Applicants have sent written notice to affected customers informing them of the proposed transaction and advising them of their rights. Service to the affected customers will not be transferred until the requisite legal and regulatory approvals have been obtained. Concurrently with this Joint Application, UCN will file with the Commission the notice and certification described in Section 64.1120(e) of the Commission's rules.

Consummation of the proposed transaction will serve the public interest in promoting competition in the domestic and international telecommunications market by providing UCN the opportunity to strengthen its competitive position by combining the Transtel Companies' Customer Base with UCN's current services, products, expertise and economies of scale.

Moreover, consummation of the proposed transaction will also permit the Transtel Companies to exit the telecommunications services business while ensuring that the affected Customer Base continues to receive uninterrupted, high-quality and low cost telecommunications services.

The Transtel Companies provide services that are very similar to UCN's core suite of telecommunications services and therefore, upon consummation of the proposed transaction, the acquired Customer Base will be quickly incorporated into UCN's existing customer base of over 150,000 accounts. With the addition of the acquired Customer Base, UCN's operations will more readily increase in size and profitability, due to enhanced economies of scale. Accordingly, the proposed acquisition will benefit consumers through improved services and availability of lower rates, thereby promoting competition in the telecommunications market.

For each of the foregoing reasons, grant of the proposed transaction is in the public interest.

II. Applicants submit the following information in support of their request for Section 214 authority pursuant to Section 63.04 of the Commission's rules.

(a) Name, Address and Telephone Number of Each Applicant

Transferors: Tel America of Salt Lake City, Inc.
324 South State Street, Suite 125
Salt Lake City, UT 84111
Tel: (801) 521-0200
FRN: **0004322749**

Extelcom, Inc., d/b/a Express Tel
324 South State Street, Suite 125
Salt Lake City, UT 84111
Tel: (801) 521-0200
FRN: **0004322764**

Transferee: UCN, Inc.
14870 South Pony Express Road
Bluffdale, UT 84065
(866) 541-0000
FRN: **0004977997**

(b) State of Organization

Transferors: Tel America is organized under the laws of the State of Utah.

Extelcom, Inc., d/b/a Express Tel is organized under the laws of the State of Utah.

Transferee: UCN is organized under the laws of the State of Delaware.

(c) Contact persons for this Application

Questions or inquiries concerning this Application may be directed to:

For UCN:

Jonathan S. Marashlian
The Helein Law Group, LLP
8180 Greensboro Drive, Suite 700
McLean, Virginia 22102
(703) 714-1313 (Tel)
(703) 714-1330 (Fax)
Email: jsm@thlglaw.com

With a copy to:

Kimm Partridge
Corporate Secretary
UCN, Inc.
14870 South Pony Express Road
Bluffdale, UT 84065
(866) 541-0000 (Tel)
(866) 800-0007 (Fax)
Email: kimm.partridge@ucn.net

For the Transtel Companies:

Stanley K. Stoll
Blackburn & Stoll, LC
257 East 200 South, Suite 800
Salt Lake City, Utah 84111
Telephone: (801) 521-7900
E-mail: sstoll@blackburn-stoll.com

- (d) Equity Ownership. UCN is a publicly traded, U.S. owned and controlled carrier with operations throughout the continental United States, District of Columbia and Hawaii. UCN is managed and controlled by U.S. citizens at the shareholder, board of directors and management levels.

No person or entity, either domestic or foreign, directly or indirectly owns ten percent (10%) or more of the equity or voting interests of UCN.

EXHIBIT B

CERTIFICATIONS OF APPLICANT

UCN, INC.

EXHIBIT C

CERTIFICATIONS OF AUTHORIZED CARRIERS

THE TRANSTEL COMPANIES

EXHIBIT D

SAMPLE CUSTOMER NOTIFICATION LETTERS